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OFFICE OF THE ATTORNEY GENERAL  
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# Press Release

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## FOR IMMEDIATE RELEASE

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### **ATTORNEY GENERAL DARRELL MCGRAW REACHES AGREEMENT WITH TELECHECK, RESOLVING CONCERNS ABOUT NATIONAL CHECK CONTROL, A DEFUNCT NEW JERSEY COLLECTION AGENCY**

Attorney General Darrell McGraw announced today that his office entered into an Agreement with Houston-based TeleCheck Services, Inc. that resolved his office's concerns about the abusive collection practices of a now-defunct New Jersey company, Check Investors, Inc., and its owner, Barry Sussman. In 2001 and 2002, Sussman's company, which did business as "National Check Control," purchased a portfolio of checks from TeleCheck that included approximately 25,000 checks with a face value of approximately \$1.7 million allegedly written by West Virginia consumers.

According to its website, TeleCheck is the world's leading provider of paper and electronic check services to retailers, financial institutions and other businesses that subscribe to its services. As part of its check guarantee service, TeleCheck maintains a comprehensive database of check writer information to assist merchants in predicting whether a check will clear.

Prior to settlement, TeleCheck was continuing to report unpaid checks written by West Virginia debtors that were owned by Sussman. Under the terms of its Agreement with McGraw's office, TeleCheck agreed that these checks will not be used as a reason to refuse these consumers' checks in the future. TeleCheck also agreed that if the information had been reported to any of the three major credit bureaus by TeleCheck, it would ask them to delete the information.

Attorney General McGraw's office began investigating National Check Control in 2002 after receiving numerous complaints that the company was abusing, harassing, and threatening West Virginia consumers. Among other things, National Check Control threatened consumers that nonpayment would result in arrest or criminal prosecution, accused consumers of "check fraud," added unlawful fees of \$100 or more to amounts allegedly owed, threatened suit on time-barred checks, refused to verify debts when disputed by consumers, and refused to obtain a West Virginia collection agency license.

In May, 2003, McGraw's office sued Check Investors, Inc., Barry Sussman, and the other principals that operated National Check Control. On June 19, 2003, Kanawha County Circuit Judge Paul Zakaib, Jr. enjoined National Check Control from collecting any debts in West Virginia pending further order of the Court.

On July 15, 2005, in a suit brought by the Federal Trade Commission ("FTC"), a New Jersey federal court granted a record \$10.2 million judgment against National Check Control and permanently banned Sussman and the other principals who operated the company from engaging in debt collection. The court also permanently enjoined them from selling or transferring the checks for collection to any other parties. McGraw's office played a key role in the FTC's investigation of Sussman.

The Attorney General advised TeleCheck of Sussman's alleged wrongful conduct in the collection of the checks TeleCheck had sold to National Check Control. In recognition of the alleged harm caused by Sussman's debt collection activities in West Virginia and to mitigate the wrongdoing allegedly committed by Sussman, TeleCheck agreed to take the actions announced today.

Attorney General McGraw stated, "This agreement does not accuse TeleCheck of any wrongdoing in connection with Sussman's practices in West Virginia. In fact, I commend TeleCheck for taking these important steps to prevent any further

negative consequences to West Virginia consumers who were harmed by the unlawful practices of Barry Sussman and National Check Control."

Any persons wishing to file a complaint about a consumer matter or to alert the Attorney General about unfair or deceptive practices may do so by calling the Consumer Protection Hot Line, 1-800-368-8808, or by downloading a complaint from the consumer web page.

To print complaint form click here. [\*Complaint Form\*](#)

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